APN Real Estate Securities
Corporate Governance Voting Policy

This Policy outlines APN Real Estate Securities‟ approach when voting on corporate governance issues. To ensure APN Real Estate Securities adheres to industry best practice, we will follow the guidelines documented in the IFSA Blue Book. A summary of the relevant guidelines are detailed further below.

As an active, value bias investment manager we consider Corporate Governance issues are an important part of managing an investment portfolio. It is APN‟s policy to vote on *all company* resolutions where we hold voting authority. We believe we are exercising our fiduciary responsibility by voting and we take this responsibility very seriously.

APN‟s objective is to vote on all voting items in a manner that will:
1. Create and/or enhance company value
2. Maximise long term investor value
3. Achieve Director accountability
4. Ensure the transparency of financial and operating information
5. Improve the quality of information to make informed voting decisions

Matters on which APN Real Estate Securities votes

APN votes on *all* voting matters, in relation to Real Estate Investment Trusts (REITs) listed on the ASX (Australian Securities Exchange), including:
- Employee/director remuneration
- Appointment of Directors
- Auditor appointment and independence
- Changes to capital structures that may affect shareholder value
- Voting rights among shareholders
- Significant issues that concern social or environmental matters
- Resolutions proposed by shareholders rather than by the Board
- Where a material conflict could exist in relation to the company or subsidiary

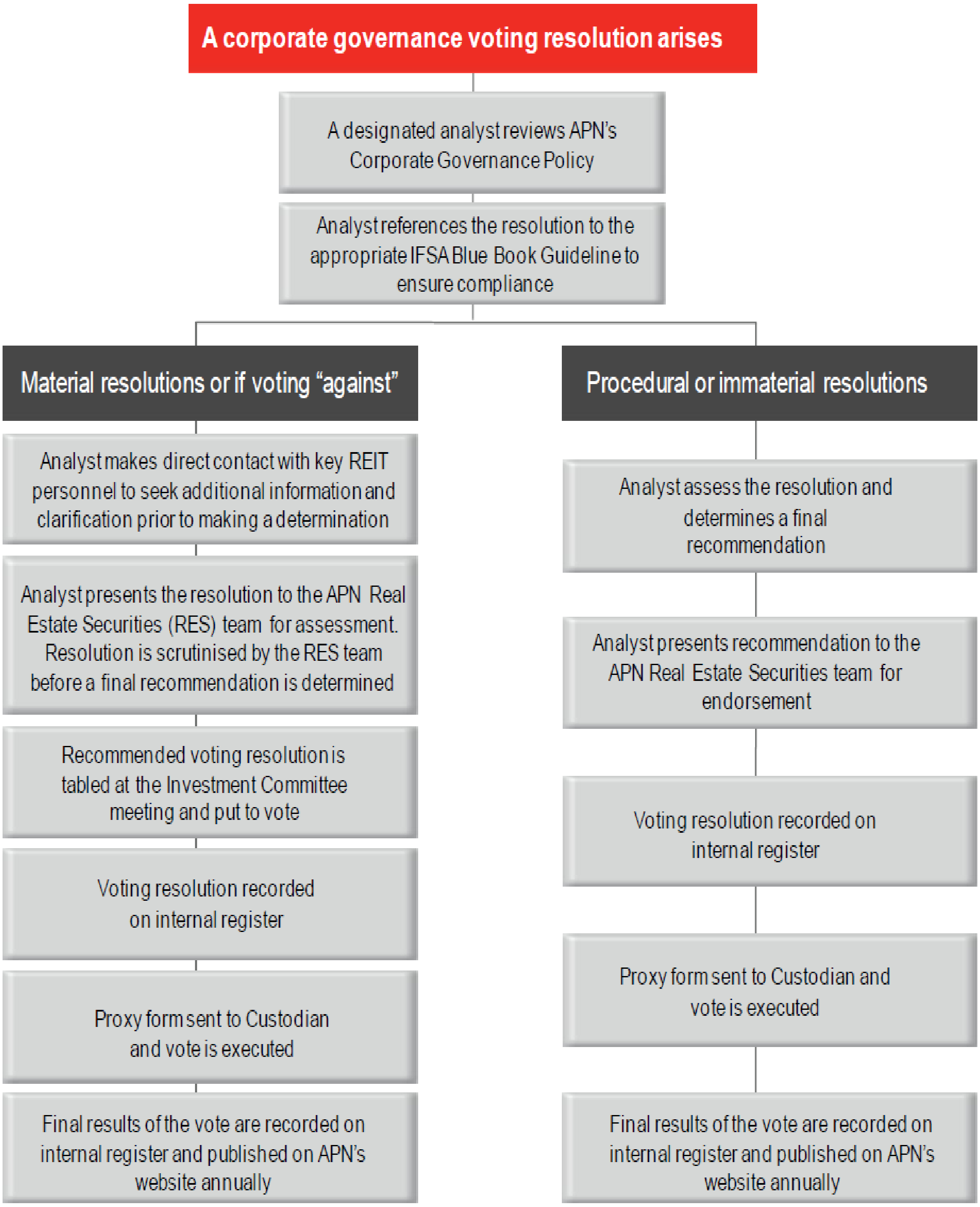
Only material non-procedural resolutions will be tabled and put to vote at the weekly Investment Committee meeting. If however, APN decides to vote *against* a resolution (regardless of materiality or nature of the resolution) the proposal will always be tabled at the Investment Committee.

The following table presents the Financial Year 2015 voting results:

Financial Year 2015	**Votes**	**%**
Number of REITs	**19**	
Votes FOR	104	99%
Votes AGAINST	1	1%
Abstain	0	0%
No Action	0	0%
Total Votes	**105**	

All voting resolutions are recorded internally and will be published on APN‟s website annually at the end of each Calendar Year.

Voting Process



IFSA Blue Book guidelines on Corporate Governance

Guideline 1 - Annual Disclosure

The board of directors of a listed company should prominently and clearly disclose, in a separate section of its annual report, its approach to Corporate Governance. This should include an analysis of the Corporate Governance issues specific to the company so that shareholders understand how the company deals with those issues. If the particular circumstances of a company warrant departure from these guidelines, the company should clearly explain the reason for an alternative approach. A company should also disclose its policies and performance regarding other issues, including its risk management framework and material environmental and social issues.

Guideline 2 - Composition of the Board of Directors: Competency

The board of directors of a listed company should comprise competent individuals who have the requisite skills and experience to fully discharge their directors‟ duties. It is important to ensure that the board as a whole has the necessary breadth of experience and diversity of skills to enable it to discharge its functions. The board should review and disclose in the annual report its required mix of skills, experience and other qualities, including the core competencies that each director brings to the board.

Guideline 3 - Composition of the Board of Directors: Independence

The board of directors of a listed company should be constituted with a majority of individuals who qualify as independent directors as defined in this Guideline.

Guideline 4 - Number of Permissible Directorships an Individual May Hold

Individual directors must commit an appropriate amount of time to board matters and, where appointed, to relevant board committees. It is appropriate to limit the number of board positions held in order to ensure that the individual fulfils their duties to each particular company.

Guideline 5 - Chairperson to be an Independent Director

The Chairperson should be an independent director.

Guideline 6 - Board Committees

Committees of the board of directors should:

▪ generally be constituted with a majority who are independent directors, although all members of the Audit Committee should be independent directors (see Recommendation 4.2 of ASX Principle 4: Safeguard integrity in financial reporting);

▪ be entitled to obtain independent professional or other advice of their choice at the reasonable cost of the company; and

▪ be entitled to obtain such resources and information from the company, including direct access to employees and advisers to the company.

Guideline 7 - Key Board Committees

The board should appoint a nomination committee, an audit committee, a remuneration committee, and such other committees required by law. These committees should be constituted as defined in this Guideline.

Guideline 8 - Election of Directors

The method for electing directors must be fair and transparent.

Guideline 9 - Appointment of Non-Executive Directors

Before accepting appointment, non-executive directors should be formally advised of the reasons they have been asked to join the board and given an outline of what the board expects of them. They should be advised of their rights as a director, including their access to company employees and access to information and resources. Additionally, they should be advised of their entitlement to obtain independent professional or other advice of their choice at the reasonable cost of the company. The terms of any pre-nuptial agreement should not diminish shareholder rights.

Guideline 10 - Performance Evaluation
The board should develop a formal performance evaluation process for the regular review of its performance, the performance of individual directors, the company and management. As a key part of that process, the independent directors should meet on their own at least once annually to review performance.

Guideline 11 - Equity Participation by Non-Executive Directors
The board should establish and disclose in the annual report a policy to encourage non-executive directors to invest their own capital in the company or to acquire shares from an allocation of a portion of their fees.

Guideline 12 - Trading by Directors and Senior Management
Companies must develop, enforce and monitor policies on director and executive trading in accordance with the *Corporations Act 2001*, and which reflect their own circumstances. This should include monitoring, enforcement and reporting on trading within any trading windows and „blackout" trading periods. The policy should include appropriate restrictions and disclosure regarding margin lending arrangements over the company's stock.

Guideline 13 - Respective Roles of the Board and Management
The board should, at least annually, review the respective roles and the allocation of responsibilities between the board and management.

Guideline 14 - Board and Executive Remuneration Policy and Disclosure
The board must disclose in the company's annual report its policies on, and the quantum and components of remuneration for all directors and each of the five highest paid executives. Where consolidated financial statements are required, remuneration details of each of the five highest paid group executives must be provided. The disclosure should be made in one section of the annual report in tabular form with appropriate explanatory notes.

Guideline 15 - Company Meetings
- **Format of Resolutions**

Notices of meeting and company resolutions should be in plain English and made in a manner that permits shareholders to make informed decisions. Notices of meeting should be posted on the company website or be accessible electronically. Separate issues should not be combined and presented as a single motion for shareholder vote.

- **Form of Proxies**

Companies should adopt the Model Form of Proxy in APPENDIX B (with appropriate modifications). Additionally, companies should take steps to implement facilities for the electronic submission and authentication of proxy forms.

- **Notification Period for Shareholder Meetings**

The annual report, notice of meeting and other documents for all shareholder meetings should be sent to shareholders at least 28 days prior to the meeting.

- **Method of Voting**

Voting should generally be conducted by poll only at the conclusion of discussion of each item of business. Appropriate forms of technology should be utilised to facilitate the proxy voting process.

- **Disclosure of Voting Results**

In announcing to the ASX the decisions made by shareholders at a general meeting, a listed company should report the aggregate proxy votes validly received for each item of business in the notice of meeting. The report should disclose, in the case of a resolution passed on a show of hands, the aggregate number of proxy votes received in each voting category („For", „Against", „Left to Proxy's Discretion" and „Abstain"). In the case of a resolution submitted to a poll, the report should disclose both the information specified in the preceding sentence and the aggregate number of votes cast „For" and „Against" on the poll.

- **Access to Minutes**

Shareholders should be able to authorise an agent to inspect or obtain copies of minutes of shareholders' meetings.

Guideline 16 - Disclosure of Beneficial Shareholder Information

Information about beneficial shareholdings obtained by companies in response to their inquiries should be disclosed to the market.

Guideline 17 - Major Corporate Changes

Major corporate changes, which in substance or effect may impact shareholder equity or erode share ownership rights, should be submitted to a vote of shareholders. Sufficient time and information (including a balanced assessment of relevant issues) should be provided to shareholders to enable them to make informed judgements on these resolutions.

Guideline 18 - Company Codes of Ethics and Conduct

Listed companies should have a company Code of Ethics and Conduct that is adopted by the board and is available to shareholders on request.